

Kentucky Department of Revenue Stops Processing Tax Refunds Because of IRS Electronic PIN Breach

Will add more time to refund process; Dept. will issue update when processing resumes

FRANKFORT, Ky. – The Kentucky Department of Revenue has put tax refunds on hold until it assesses the potential impact to Kentucky taxpayers due to a recent breach in the IRS’s eFile pin system.

Until this assessment is completed and new safeguards put in place, refunds will be held until further notice. The department will send out an update when it begins processing refunds again.

The new delay is in addition to the 21-day turnaround time the department announced yesterday for e-filers because it has implemented additional security features and fraud analysis tools.

To contact the Kentucky Department of Revenue, call the taxpayer assistance line at 502-564-4581 or email individualincometax@ky.gov.

According to a [statement](#) from the IRS, it recently identified and halted an automated attack upon its Electronic Filing PIN application on IRS.gov. Using personal data stolen elsewhere outside the IRS, identity thieves used malware in an attempt to generate E-file PINs for stolen social security numbers. An E-file pin is used in some instances to electronically file a tax return.

No personal taxpayer data was compromised or disclosed by IRS systems. The IRS also is taking immediate steps to notify affected taxpayers by mail that their personal information was used in an attempt to access the IRS application. The IRS is also protecting their accounts by marking them to protect against tax-related identity theft.

“Unfortunately those with criminal intentions continually try to find ways to file fraudulent tax returns in hopes of getting a refund that is not theirs,” said Dan Bork, commissioner of the Kentucky Department of Revenue. “With this new situation, the department will again assess its systems and put additional safeguards in place.”

Filing electronically is still safe and the quickest way for taxpayers to get their refund—and the only way to have their refund direct deposited. Refund requests from taxpayers who file paper forms could take 6 to 8 weeks.

For the 2014 tax year, more than 85 percent of individuals filed electronically. The department stopped more than \$16.5 million in fraudulent refund requests.

Protect Yourself from Tax-Related Identity Theft

The department reminds taxpayers to protect their personal information and actively monitor their credit reports, charge cards and bank accounts for any suspicious activity.

Tax-related identity theft occurs when someone uses another person’s stolen Social Security number (SSN) to file a tax return claiming a fraudulent refund. Taxpayers may be unaware that this has happened until they file their return and discover that a return already has been

filed using their SSN. Or the taxpayer may receive a letter from DOR or the IRS saying a suspicious return has been filed using their SSN.

Know the warning signs

Be alert to possible tax-related identity theft if you are contacted by DOR or the IRS about:

- More than one tax return that was filed for you,
- You owe additional tax, have a refund offset or have had collection actions taken against you for a year you did not file a tax return, or
- IRS or DOR records indicate you received wages or other income from an employer for whom you did not work.

For more information and resources related to identity theft, visit the Federal Trade Commission's [IdentityTheft.gov](https://www.identitytheft.gov) website.

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